

Finance Committee
Bean Counting
April 13, 2021
Remote

With a quorum present, the Chair called the meeting to order at 7pm.

Finance Committee members present: Janice Clements-Skelton, Michael Dougherty, Joseph Bourque, Jamie Fay, Michael Schaaf

1. Citizens Queries - Janice Clements-Skelton

- There is an open chat room for any citizen's queries.
 - Thanks to the local fire department, police department and retired firefighter Jeffery French with assisting with the fire last night.

2. Acceptance of Finance Committee Minutes - Janice Clements-Skelton

- Will approve minutes next meeting- June meeting

3. Revenue projections-

Senator Tarr & Representative Hill

Representative Hill- Last time we spoke there were some nerves around revenues seeing a projection of 3-5 billion. Like many others, we are putting together our budget for next year, and we are seeing that the state has come in very strong, we are beating some of the benchmarks set. We are also getting money through the government for the CARES Act 1,2 &3 which has helped many towns and the state fill the hole we talked about the last time we spoke. Both the chairmen from the House Ways and Means and Senate Ways and Means put out a statement this past we that we are going to be adding more money to Chapter 70. We are going to be putting a lot more money into Chapter 70, we are going to be level funding the unrestricted government aid. Moving forward there will be a movement to add more money to that, but if the education piece is being funded in a way that it should be. As part of the increase of the Chapter 70 funding, when we spoke about a lot of the funding going to early education, then to more urban communities, then we will see the funding directed to our school districts.

Also, the last time we met, individuals wanted to learn and hear about some of the grants that Senator Tarr and I worked with Ipswich to receive. In Total the town received:

- o 15,000 from the Edward Burn Memorial Grant
- o 18,700 from DEP- complete grand for recycling
- o 15,000 on fire safety
- o 150,000 for the town to be able to do some work in the down town area.
- The fire chief applied for two Grants, and received both of them:
 - o 4,600 for education in the schools about fire safety
 - o 2,500 for seniors about fire safety at the Counseling on Aging.

Representative Hill spoke about an article in the Salem News about the Ipswich River being low flowing and being one of the top ten rivers endangered rivers. After that article was published, he had received several questions about it, but unable to answer one:

- Dose Ipswich have a plan or hired a company to go out and look at the river to put a plan together in way to look at our drinking water system? Or looking at ways to make the river system stronger than it is now?"

Representative Hill responded that there has been a push for a regional approach to this, not a town to town approach. At a recent meeting it was pointed out we have 4 Chapter 40B projects going on. Also, both Salem and Danvers have big projects in the works, and no one around here knew about it.

Senator Tarr- We are seeing some robust economic activity, when we look at the most recent collections numbers for year to date, we are about 1.5 billion dollars above our benchmark. It was originally lowered because expectations were lowered but are seeing positive activity. We do have an agreement between the House Ways and Means and Senate Ways and Means on limited numbers on to be able to provide Chapter 70 and Local aid (general government aid). Unrestricted government aid us an increase of about 39.5 million dollars over last year. This is important because it set the base line amounts.

The importance of the North Shore Superintendents Round Table is super impactful in education policy in Massachusetts. It helps drive the discussion and one of the elements of discussion this year has been the situation of students that may have left our public schools during the pandemic, but who may come back in the middle of year as the issue with the pandemic changes. The concern that has been raised- "What

happens when we see all these students come back in the middle of the year when they are not planned for and the enrollment numbers will not accurately reflect what is happening?"

The agreement with the between the House Ways and Means and Senate Ways and Means committees, was to set up a 40- million-dollar reserve. Now with the numbers, the increase in chapter 70 that translates into 47 to 48 thousand dollars. The other moving piece SER (Emergency School Aid) that is coming from the federal government, and they have been SER 1 and SER 2.

- SER1 was in the CARES Act
- SER 2 was in the second act
- SER 3 which is contained in the latest American-Rescue Act, is significant in terms of its dollar amount.

We could be talking about an excess of 1 million dollars, but the details are still being worked out. Lastly Senator Tarr, credited Tony, The Board of Health and everyone who has been working to help us put together a regional vaccination clinic for our area. There are 6 communities in that effort and are hoping to have a regional vaccination Clinic soon, which will bring the ability to get vaccinated closer to home. Hopefully we will see an improvement soon.

Questions or Comments:

Select Board-

Linda Alexson, Chair Thanked both Senator Tarr & Representative Hill for attending this meeting and addressing the water issues in town, and looks forward to hearing more about this as a regional issue.

Kerry Mackin brought up the development of the WUMP and asked if Senator Tarr and Representative Hill would consider a regional WUMP system as a possible subgroup of the regional work that they are doing. **Representative Hill** answered they are more than happy to sit down with all the partners we have and doing just that, we are looking for funding as we speak to hire someone to help us with that. **Senator Tarr** also answered that there has been a lot of discussion between communities on trying to create something's that's fair especially for those who depends on our water. **Kerry Mackin** addressed the proposed regulation conditions on the "so call" register conditions that predated the passage of the water management act in 1986, I believe we should be supporting that. Putting conditions on the register withdrawals are important and, I would propose that the Mass DEP should be putting conditions on Order called "below threshold withdrawals" which are ones that are less the 100,000 gallons a day by a single user.

School Committee-

Cub Whitten also thanked Senator Tarr and Representative Hill for their collaboration over the past year for grant funding that we've received from the federal and state levels. These have been crucial for us to operate efficiently, with all the COVID related expenses to keep our school district up and operating have paid off and we are very appreciative.

Finance Committee-

No Questions.

4. Town Revenue

Sarah Johnson- Finance Director - Review of the Town 's Revenue

Tax Revenue as of March 31, 2021:

- 2021 Real estate tax- 75.4% collected = \$31,999,275
- 2021 Personal Property Tax- 74.8% collected= \$337,270

2021 Local Receipts:

- The RMV is having trouble with the second commitment, they are going to combine the second and third commitments together and they will be going out in May. We will be able to bring that money in some time in June and we are hoping it will be about 200,000 in revenue which will be about 175,000 over budget.
- Permitting fees are down- about \$9,000 less
- Conservation did very well last year- increased the fees the year prior and we have been collecting a lot of money with parking permits and fees.
- Not as many police details
- Due to the courts being closed due to COVID, unable to collect fines- will be \$4,000 dollars less
- Investment income down- collected over 200,000 in the past two years, we will be lucky if we get \$44,000 dollars in this year. We will be about \$6,000 under this year.

- Land was sold off the Neck, which the town received \$400,000 dollars for that sale. It went into miscellaneous income which is up.
- New England Bio Labs has paid for their building permit which totaled \$776,000 dollars
- Town is up 1.4 million dollars more than budgeted.

COVID Grants- Town & School:

- ARPA- new money that DLS had disturbed this number but we haven't guidance on this, we are waiting on guidance because we don't know what we can spend it on.

CARE'S & FEMA funds:

- 1.28 million
- 1.24 million from CARE's
- Have not heard back from the state for the reconciliation from them.
- Asked FEMA for 100,000. They approved 50,000- the remainder has been appealed.
- Current president has passed a law saying that FEMA would fund 100% and expanded the expenses- waiting on more guidance on that and hopefully get more of the FEMA funding back

Free Cash Summary:

- Balance Certified 2.2 Million on January 27th, 2021
- ATM 2021
 - Capital \$1,369,717
 - OPEB \$304,265
 - Balances \$353,265
- Reserve policy states we must reserve \$100,000
- Leave a balance to appropriate \$253,077

Questions/ Comments:

Finance Committee-

Jamie Fay asked that if the total amount of COVID related funding for the town and the schools are applied for are about 1.2-1.3 million? **Sarah Johnson** answered yes, that was received from the CARE'S ACT for a total of 1.24 million. **Jamie Fay** mention while looking at the numbers that are projected for full funding going forward, do we have a problem in the sense that we will not spend enough to get the reimbursement that we could possibly apply for? It looks like we are eligible for more funding than we can justify, I can't imagine we will do more than that based on the state of the pandemic. **Anthony Marino (Town Manager)** responded that the town is still waiting on guidance for that, but from what we have been told there is some infrastructure money we can use for utility projects. It looks like the timeline to spend it will be around 2024. **Jamie Fay** said that it's great news but means that projects will have to be done in order spend the funds and a lot of that is on the School side. Dr. Blake do you have a similar plan? **Dr. Brian Blake (Ipswich School Superintendent)** answer that they have applied for the SER2 funding, this current fiscal year to utilize those funds for this up-coming fiscal year and were able to offset the budget with planned COVID 2 expenditures. We have a remaining balance to do for additional supports. We haven't seen what the guardrails are around the SER2 or 3 funding but when it comes in, but we will plan accordingly because that funding won't be here forever. **Janice Clements-Skelton** asked Chub what can we do with this money?

Cub Whitten responded like Dr. Blake mentioned we don't have guardrails yet, we can tell you what we have spent money on, like air filtration and HEPPA filters in each classroom, ordered PPE, extra cleanings of the schools including deep cleaning on remote days, but as of right now we don't have guidelines for future expenses.

Tammy Jones, Vice Chair (Select Board) added that after hearing back from the local restaurants about how much they appreciate the support we were able to give them and how they were able to survive the pandemic so far because of. One of the restaurant owners also pointed out that Ipswich is one of the very few communities that did not lose a single restaurant.

5. Overview of first municipal and school budget:

Anthony Marino (Town Manager):

Total Municipal Budget: 27,950,878 Million Dollars- Vetted by FINCOM, Select-board and School committee and supported by all three.

Janice Clements-Skelton asked if the post budget hearings on what the WUMP program would look like, it had some considerable costs associated with it. If it does move forward, how will the costs be covered?

Jim Engel- Wastewater Subcommittee answered that It's not clear when the costs will be but there is a current WUMP program in place and those funds could appropriate to cover some of the early costs if necessary.

Janice Clements-Skelton (FINCOM Chair) Opens meeting for questions:

Michael Schaaf No major problems with the budget, Tony laid down guidelines. Has concerns with shellfish budget, the Selfish expenditure has far exceeded by the shellfish fees, and the fees have not been raised in sometime. It seems like there is an opportunity to raise that budget. **Police Chief Nikas** says that it was discussed at the budget hearing and it will be going back to the shellfish advisory board to have them review it. We have looked at other towns to see what they are charging so we can close the gap, but be aware it will not happen this year. **Linda Alexson, select board Chair** said they have not put this on an agenda yet, but will. We charge commercial permit holders a \$50 dollar permit fee and the permit fees are in-line with other local communities. **Robert White** asked Tony for the Green community budget, is there a time we will talk about it? Do we have projects lined up? Already established? **Anthony (Tony) Marino (Town Manager)** responded that it's not on the agenda tonight, but the first check was \$149,000. Also, the past year FY 21 projects are in and paid for, and that all plans are lined up in the capital plan

5. School Budget:

Cub Whitten- School Committee Chair

Dr. Brian Blake (Ipswich School Superintendent)

Greg Stevens- School committee member

- Year 7 of the override, exactly what we hoped when we rolled this plan out.
- Includes 1.3 million dollars draw from stabilization fund
- Adding to the stabilization fund because of the school being shut down last year

Janice Clements-Skelton asked the school committee for the break downs of FTE's (Full time equivalent)- what is professional and administrative?

Dr. Brian Blake: Ran numbers based off the 1641 students:

- 1,641 students
- 193 teachers in the district (anyone labeled a teacher) Ratio of 1:8.5
- Support staff- (therapists, teaching assistants, Cafeteria workers, lunch aids)
- 13 custodians
- 13 administrators

Janice Clements-Skelton: Is the representing head count or FTE's (Full time equivalent)? **Dr. Brian Blake:** Head count. **Janice Clements-Skelton:** Based on the needs and size of classes, the fluctuations would appear under these two categories? **Dr. Brian Blake:** Directly related to students yes, but we hired two new custodians. They show up in the FTE discussion. It also varies year to year. **Janice Clements-Skelton:** This is hard for the public to understand, that's why I'm trying to put it in to categories so people understand.

Questions/ Comments:

Linda Alexson, Select board Chair asked how much revenue do we get per student coming from out of district? And what does it cost to educate that child? **Dr. Brian Blake** responded that right now there are 45 choice students, at a cost of \$5,000 per student which equals out to an expenditure of 18.3. **Michael Schaaf** asked Dr. Blake that he understand the school committee is receiving some additional funds in Cares. We don't know for sure how much it will be, and no guidelines for these funds. Kids have fallen behind because of the pandemic; do we know if we have these kids in Ipswich? Thoughts on efforts for the funds coming in to bring these kids along? **Dr. Brian Blake** answered that we do have those students, have been working all year with them to make sure they have access and supports and now they are back in school full time, we are trying to assess were students are. **Janice Clements-Skelton** brought up that she has reached out to the FEOFFEES Committee to get some communication on distribution but hasn't heard anything back, and asked if anyone else? **Greg Stevenson** said that it's estimated for the end of September. **Robert White** asked the school committee if they have a feel for how the Payne grants have been utilized do to COVID? Can we roll it into next year? **Dr. Brian Blake** answered that the they have a decrease in the amount of expenditures. There were no field trips which we would typically use those for Typically, we must return it, driven by the amount of grants **Michael Dougherty** asked the school board why are we sending money back to FEOFFEES, which **Greg Stevenson** responded was because of_

changes to polices for any unspent funds sent back it would be returned to the corpus and sending it back now with new policy, we can pull it in future years.

6. Capital - quick review or questions

Anthony Marino (Town Manager): Between IT, capital, schools, we have gone through this in depth.

Janice Clements-Skelton: Going back to the schools, Dr. Blake if it turns out that some of this capital that we have outlined falls under the SER fund would be we be able to tap that source? **Dr. Brian Blake** answer that If it falls under it legally, we can. **Michael Dougherty** asked **Chub Whitten** if the school committee is planning on sending your first SOI to the School Building Association? **Cub Whitten** answered that in FY 2023 and the School committee holding a workshop on that Thursday night. **Michael Schaaf** mentioned that in regards to the Capital matter outside of the budget, it seems likely at the federal level there will be capital for infrastructure, it may not occur but it has a good deal of momentum for bridges and things of the sort. Maybe have some projects ready so we can present them.

7. Final Overview

Janice Clements-Skelton: All the boards have met and voted but just to go over the Warrant hearings quickly for any questions. **Anthony Marino (Town Manager):** we will go over 7 & 8, and everyone has voted. **Janice Clements-Skelton** let's circle back to Town Hill Water Tank article 14

Anthony Marino (Town Manager) reviewed that The Select board voted unanimously for it, FINCOM wanted to approve 200,000 instead of 4 million for design money. **Janice Clements-Skelton** explains that with so many capital asks this year, we would rather go to the taxpayers for a certain amount. It has nothing to do with us not supporting but we want to be transparent to the tax payers. **William Whitmore** , **Vice chair of the select board** Disagreed with FINCOMS take on this. Justifications and waiting till the fall makes no sense, we are asking for a new building in the fall and to stack both on top of each other isn't right. Committees are growing tired of asking for money to research a project or do a study when it clearly needs to get done. **Jamie Fay** responded that FINCOM was presented with a project that was not defined, and it was last proposed 22 years ago. We came up with a proposal that allow it to proceed according to the schedule that was warranted with construction next October or November.

8. Article 7 & 8

Janice Clements-Skelton - Would like to vote on article 7&8

Article 7

- School committee voted to put 1.3 million back into the stabilization fund

Walter Hartford asks what will balance be in the account after this article? **Dr. Brian Blake** answered 3.9 million

Michael Schaaf want to know where that number came from. **Dr. Brian Blake** said they looked at the current budget and the surpluses and marked the ones we knew weren't expending. A lot came from not using substitute teachers, saving costs in special Ed.

Motion by finance committee:

Michael Dougherty: Moved

Joseph Bourque: 2nd

7-0 passes unanimously

Motion by Select Board

Tammy Jones: moved

Nishan D. Mootafian: 2nd

5-0 passes unanimously

Motion by School Committee

Carl Nylen: Moved

Greg Stevens: 2nd

7-0 passes unanimously

Article 8

Cub Whitten

Special education stabilization fund - move \$224,397 into the Special education stabilization fund

This will be the cap that we are able to put into this fund \$617,362 in it. Next year we can only put in 2% of our budget.

Questions/ Comments:

Jamie Fay what are the current balance in the account? Current balance is \$392,965, which is the target.

Motion by School Committee

Hugh O'Flynn: Moved

Pavica Kneedler: 2nd

7-0 passes unanimously

Motion by finance committee:

Michael Dougherty: Moved

Joseph Bourque: 2nd

7-0 passes unanimously

Motion by Select Board

Kerry Mackin: Moved

Tammy Jones: 2nd

5-0 passes unanimously

9. Town meeting preparation:

Janice Clements-Skelton- Tony, anything we need to be doing other than getting the report out?

Moderator's forum on May 12 **Anthony Marino (Town Manager):** Yes, same set up as last year with a bigger tent and same check in with poll pads

Questions/ comments:

Rob White asked if that is ok with the State rules and guidelines with covid? 400 people in the tent?_

Anthony Marino answered that legislative meetings are exempt like last year and masks are required

10. New Business:

Janice Clements-Skelton- To FINCOM- reminder to get article recommendations in as soon as possible.

Michael Dougherty: Has the next tri-board meeting talked about? **Janice Clements-Skelton-**

No, but we will look as some dates.

Motion for the Select board to adjourn:

Kerry Mackin: Moved

Tammy Jones: 2nd

5-0

Motion for the School board to adjourn:

Pavica Kneedler: 2nd

7-0 passes unanimously

Meeting Adjourned at 9:40pm

